

**BY ORDER OF THE SECRETARY OF THE
AIR FORCE**

AIR FORCE INSTRUCTION 64-103

1 MAY 1997



Contracting

**LEASING USAF AIRCRAFT AND RELATED
EQUIPMENT TO NONGOVERNMENT
ORGANIZATIONS**

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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This instruction gives procedures and responsibilities for leasing US Air Force aircraft and related equipment to nongovernment organizations. It does not apply to the Air Force Reserve. This instruction aligns with AFD 64-1 and implements Title 10, U.S.C., Section 2667; DoD Instruction 7230.7, *User Charges*, with changes 1 and 2, 29 June 1985 and DoD Directive 7230.8, *Leases and Demonstrations of DoD Equipment*, 16 February 1995.

SUMMARY OF REVISIONS

Requirements for insurance, payment of rental, reimbursement of support costs are updated to conform to DoD Directive 7230.8. Guidance on approving orientation flights is included.

Chapter 1

RESPONSIBILITIES

1.1. Office of the Secretary. The Assistant Secretary of the Air Force for Acquisition (SAF/AQ) may authorize leases of aircraft and related equipment when the Secretary determines it advantageous for the United States, under such terms and conditions as the Secretary determines will promote the national defense or be in the public interest. Authority to waive or deviate from the provisions of this instruction or to delegate leasing authority rests with SAF/AQ. This authority may be exercised by memorandum, Determination and Finding (D&F), or Secretary of the Air Force Order, as deemed appropriate.

1.1.1. The Contract Policy Division (SAF/AQCP) determines whether lease requests meet the guidelines for leasing. It sends requests to SAF/AQ for approval of the D&F, coordinating with the Secretariat, the Air Staff, and the Defense Security Assistance Agency (DSAA), as necessary.

1.1.2. The Assistant for Security Assistance (SAF/FMBIS) determines the appropriate amount to charge the lessee. SAF/FMBIS works directly with the contracting office.

1.1.3. The Policy Division (SAF/IAX) reports to DSAA, within 90 days of the end of an international trade show or exhibition, a list of equipment leased for the event and the total cost charged to training budgets for transportation of equipment to and from the event.

1.2. Director of Operations, Headquarters US Air Force. The Director of Operations (HQ USAF/XOO) approves lessee air show plans, including demonstration flight profiles.

1.3. Air Force Materiel Command (AFMC). AFMC evaluates lease requests, determines whether the assets are available, and negotiates leases once it has received approved D&Fs from the Secretariat. AFMC/CC approves foreign nationals prior to orientation or evaluation flights according to AFMC Sup 1 to AF Instruction 11-401, *Flight Management*.

1.3.1. When a System Program Office (SPO), Air Logistics Center (ALC), Test Center, or Laboratory receives a request to lease US Air Force assets, it:

- Evaluates the request and determines if the proposed lease benefits the United States Government (US Government).
- Determines whether the property is available during the proposed lease period.
- Decides if the intended use of the property is appropriate.
- Imposes any necessary limitations or reservations on its use.
- Coordinates with the operational command on property assigned to that command, and sends the request to SAF/AQCP.

1.3.2. When a prospective lessee wants to lease an asset that is acquired or managed by a SPO, the contracting officer (CO) evaluates the lease request, prepares a draft D&F, and negotiates the lease agreement after receiving an approved D&F.

1.3.3. When a prospective lessee wants to lease an asset managed by an ALC, Test Center, or Laboratory, they evaluate the lease request and make a recommendation to the Operational and Central Support Contracting Division, Aeronautical Systems Center (ASC/PKW). When the requested asset is under the control of an operational command, the ALC responsible for supporting the asset evalu-

ates the lease request, coordinates with the operational command, and makes its recommendation to ASC/PKW. ASC/PKW prepares a draft D&F and negotiates the lease agreement after receiving an approved D&F.

1.3.4. The contracting office forwards the draft D&F and supporting documentation to SAF/AQCP for staffing and forwards the lessee's air show plan, if applicable, to Operations Support Division, Headquarters US Air Force (HQ USAF/XOOA) for staffing.

1.4. Prospective Lessee. The prospective lessee initiates the lease request and submits it to the appropriate SPO, ALC, Test Center, or Laboratory. The lease request must contain at least:

- Identification of the property to be leased (including tail numbers or part numbers, if known).
- Purpose of the lease.
- Proposed start date and duration.
- Proposed locations of the lease activity.
- Expected benefits to the lessee.
- Expected benefits to the Government.
- Statement that suitable commercial items are not available.
- Information on contact (if any) with operational units or item manager to ascertain asset availability.
- Other pertinent facts (for example, valid export license and support equipment requirements).

Chapter 2

LIMITATIONS

2.1. Military Leases. This instruction does not apply to military leases of US property to foreign governments or international organizations under Chapter 6 of the Arms Export Control Act.

2.2. US Air Force Assets. The Air Force may only lease out property that is under the control of the Department and is available on a noninterference basis with US Government requirements.

2.3. Commercial-Like Assets. The Air Force doesn't typically lease out property that is otherwise available from commercial sources.

2.4. Excess Property. Title 10 U.S.C., Section 2667 prohibits the Air Force from leasing out property which is excess to US Government requirements, as determined by the Secretary.

Chapter 3

BASIC FEATURES OF THE LEASE

3.1. Authorized Uses. The lease agreement specifies how the leased property may be used. The proposed use need not support a US Government contract or requirement. The lease identifies the locations of lease performance.

3.2. Lease Charges. The lessee normally pays the full cost of the lease. Charges include rent, reimbursement for any expense incurred by the US Government in support of the lease, and other costs the lessee must pay according to the terms of the lease.

3.2.1. Rent includes charges for depreciation and interest on investment. The CO determines whether daily, monthly, or yearly charges are appropriate.

3.2.2. The CO should assess flying-hour charges for a leased aircraft to include, among other things, fuel, maintenance, and base support, depending on the leasing situation. Do not assess these charges to the extent they are otherwise provided by the lessee. A lessee who is authorized under the lease to obtain spare parts from the supply system must pay the appropriate flying-hour charges or the cost of the parts.

3.2.3. SAF/FMBIS sets depreciation and interest on investment. SAF/FMCCF sets flying-hour charges. When the specific item to be leased is identified, these charges may be based on supplemental information from the SPO, ALC, Test Center, or Laboratory. This information includes the property's:

- Acquisition cost.
- Replacement cost.
- Age.
- Major modifications.
- Salvage value.

When you don't know the actual costs, use reasonable estimates. The CO is authorized to communicate directly with SAF/FMBIS on these charges.

3.2.4. Assess rent for equipment that the lessee needs to support the major items of leased property. The CO may use the rates set in the Use and Charges clause in the *Federal Acquisition Regulation* for items of support equipment. In addition, the CO ensures that the lessee reimburses the US Government for the cost of any support it provides, including aircrews, support aircraft, equipment, and facilities to the extent not recovered through assessment of flying-hour charges.

3.2.5. Pursuant to DoD Directive 7230.8, lease charges are limited to incremental costs incurred by the US Government in support of leases for:

- Air shows or trade exhibitions held outside the United States.
- Sales demonstrations to representatives of foreign governments.

In other words, no daily rental charge applies. Incremental costs are those costs incurred by the US Government in support of the lease that would not have been incurred had the property not been leased.

3.3. No Cost to the US Government. The lessee must pay all rent, costs, and charges relating to the leased property during the lease. Generally, the lessee shall not include any charges or costs resulting from the lease, directly or indirectly, in any US Government contract or subcontract. Exceptions include:

- Contracts for foreign military sales.
- Independent research and development costs.
- International air show costs.
- Other limited cases where specific US Government contracts or programs benefit from the lease activities.
- When otherwise authorized by law.

3.4. Risk of Loss. The lessee must agree to assume the risk of loss, damage, or destruction of the leased aircraft and equipment during the period of the lease. The lessee must obtain insurance to cover the depreciated value of the leased property or, with the prior written approval of the CO, the lessee may be self-insured. (When negotiating a lease, the CO may consider a provision requiring the lessee to replace the leased property in kind should it be destroyed while the lessee is liable.) There are limited situations where a USAF pilot may be authorized to operate a leased aircraft as pilot-in-command. For example, when no lessee pilot is qualified or available to fly a particular flight or profile. In these limited situations the US Government may, if authorized by SAF/AQ or delegee, agree to assume risk of loss of the leased aircraft as an exception to the policy that the lessee assumes this risk.

3.5. Indemnification of the US Government. The lessee must agree to hold harmless and indemnify the US Government, its agents, employees, and officers from any and all loss and liability arising from the lease. The lessee must obtain insurance to cover all these liabilities.

3.6. Maintenance. The lessee must maintain the leased property during the lease period according to standards established by the US Air Force or pay the cost of maintenance if the US Government agrees to do the maintenance.

3.7. Inspection Responsibilities. The CO must ensure that:

- Contract administration personnel or others conduct appropriate inspections during lease performance.
- The activity receiving the property after the lease inspects it to see that the lessee maintained the leased property according to US Air Force standards.

3.8. US Government Support. Any support that the US Government gives to the lessee must not interfere with other Government programs and must be fully reimbursed. This paragraph applies but is not limited to material, facilities, transportation, support aircraft, aircrew, and support personnel.

3.9. Termination of the Lease. The US Government may terminate the lease at any time and at no cost to itself. The lessee may terminate the lease after notifying the CO in writing. The lessee still has residual responsibilities under the lease (payment of charges, return of the leased property, etc.). In long-term leases the CO may want to provide for periodic interruptions of the lease so the leased property can be returned to the US Government to satisfy US Government requirements.

3.10. State Department Approval. When a lessee wants to demonstrate the leased property to representatives of foreign governments or international organizations or to participate in international air shows, the lessee must present the CO with evidence of valid export license clearance from the State Department or other responsible US Government agency. Normally, lessee personnel conduct these demonstrations. The contracting office must forward the lessee's request to participate in an international air show or trade exhibition to SAF/IAX if required by the D&F. (See paragraphs 1.2. and 1.3.4. for approval responsibility and process for lessee's air show plan, including demonstration flight profiles.)

3.11. Flights for Dignitaries - Orientation Flights. The lessee must get prior approval for orientation flights for foreign nationals or for dignitaries, including members of the Congress and representatives of the US news media according to AFMC Sup 1 to AF Instruction 11-401. This applies regardless of command that provides the leased aircraft or the location of the flights. The contractor submits its request to the CO. The CO works with AFMC/DOO to obtain the required approval.

3.11.1. The following US Government or foreign government equivalent medical evaluation and training documentation is required for those receiving orientation flights:

- Current flight physical with medical clearance to fly.
- Current physiological and altitude chamber training when required by AFMC Sup 1 to AF Instruction 11-401.
- Life support, egress and/or ejection seat training.

3.11.2. Requests for approval of an orientation flight when a non-qualified pilot is to occupy a mandatory pilot position or perform takeoffs and landings from any position in fighter to trainer aircraft, shall include:

- Adequate justification.
- Details of the training program to be used.
- Identification of individuals.
- Type aircraft in which each individual is current and date of last flight, total flight hours in current aircraft, and total flight hours.

3.12. Air Show Participation Plan. Leases that authorize aerial demonstrations at an air show must require the lessee to obtain prior AF/XOO approval of:

- Plans for conducting flight operations and providing adequate crew rest.
- Demonstration flight profiles.
- Waiver of weather minimums. (See AF Instruction 11-209)

See the clause at attachment 3. The leasing office should identify the US Government contract monitor, brief the monitor on approvals granted the lessee and any limitations that may have been imposed for a particular air show, and provide copies of pertinent documents.

3.13. Administering Leases. After negotiation, the CO delegates the lease to the cognizant contract administration office for administration. The contract administration office ensures that the lessee complies with all the terms and conditions of the lease. It ensures that all lessee flight crew members are qualified and maintain currency and proficiency according to AFMC Manual 10-202, Vol I, *Aircrew Training*. In addition, the lessee must:

- Obtain necessary approvals.
- Follow maintenance requirements.
- Keep records of property use as a basis for rental charges.
- Pay rental and other charges according to the lease agreement.
- Return the leased property as directed by the CO.

3.14. Lessee Payments. The CO shall instruct the lessee and appropriate Defense Accounting Office on handling lessee payments. The applicable Defense Accounting Office deposits payments for aircraft and equipment rental (including depreciation and interest on investment) to miscellaneous receipts of the US Treasury. They credit payments for flying-hour charges and reimbursements for support or services provided by the US Government to the appropriations of the activities to which the leased property is assigned or which provided the support or service. They reimburse to the supply system lessee payments for items obtained from the supply system.

Chapter 4

REVIEW AND APPROVAL PROCESS

4.1. Leasing Authority. The leasing authority (10 U.S.C. 2667) is SAF/AQ. Field and staff elements must not preempt or prejudice the Secretary's authority to determine whether a proposed lease is advantageous to the United States or what terms and conditions promote the national defense or are in the public interest.

4.2. Lead Time. Prospective lessees and AFMC organizations must plan on a minimum of four weeks for approval of a D&F from the time a lease request reaches the SAF/AQC. Lease requests submitted without enough lead time will be returned without action.

DARLEEN A. DRUYUN
Principal Deputy Assistant Secretary
(Acquisition and Management)

Attachment 1

GLOSSARY OF REFERENCES, ABBREVIATIONS, AND ACRONYMS

References

DoD Instruction 7230.7, *User Charges*, With Changes 1 and 2, 29 June 1985

DoD Directive 7230.8, *Lease and Demonstration of DoD Equipment*, 16 February 1995

Title 10, United States Code, Section 2667

AFPD 64-1, *The Contracting System*

AF Instruction 11-209, *Air Force Participation in Aerial Events*

AF Instruction 11-401, *Flight Management*, and AFMC Sup 1

AFMC Manual 10-202, Vol I, *Aircrew Training*

Abbreviations and Acronyms

ALC—Air Logistics Center

AFMC—Air Force Materiel Command

CO—Contracting Officer

D&F—Determination and Funding

DoD—Department of Defense

DSAA—Defense Security Assistant Agency

SAF/AQCP—Contract Policy Division

SAF/FMBIS—Assistant for Security Assistance

SAF/FMCCF—Cost Factors Division

SAF/IAX—Policy Division

SPD—System Program Director

SPO—System Program Office

U.S.C.—United States Code

Attachment 2

SAMPLE SECRETARIAL DETERMINATION AND FINDING (D&F)

DEPARTMENT OF THE AIR FORCE DETERMINATION AND FINDING

Authority to Lease United States Government Property

The Department of the Air Force proposes to lease (*property*) to (*name of firm*) for (*term of lease*). (*Describe the details of the proposed lease activity, including intended use of the leased property.*)

As consideration for the lease, the lease will contain the following additional terms and conditions:

1. The leased property shall not be transferred, encumbered, or used for other purposes without the written consent of the Secretary of the Air Force.
2. The leased property shall be furnished "as is" without any warranty, express or implied, as to serviceability, fitness for use, or other matters. Furthermore, the leased property is available only on a noninterference basis with US Government requirements.
3. The lessee shall pay the US Government all rent, costs, and charges associated with the use of the leased property while it is under lease according to applicable Department of Defense and Department of the Air Force directives and instructions and this Determination and Finding. However, no daily rental charge will be assessed for lease projects for the purposes of participating in international air shows held outside the US or conducting sales demonstrations for representatives of foreign governments.
4. The lessee shall maintain the leased property during the term of the lease in a safe and serviceable condition according to prescribed Department of the Air Force standards or pay the full cost of any such maintenance if the US Government agrees to accomplish the maintenance.
5. Support provided by the US Government, if any, shall be on a noninterference, reimbursable basis, including use of aircrews, support aircraft, equipment, and facilities. Providing and charging for support will be according to applicable Department of Defense and Department of the Air Force directives and instructions.
6. The lessee shall be responsible for all costs relating to the leased property during the term of the lease, including but not limited to expenses of operation, maintenance, display, demonstration, ferrying, transportation, support, and protection.
7. The lessee shall not, directly or indirectly, include in any US Government contract any charges or costs paid by the lessee under the lease authorized hereby, except to the extent authorized under the Federal Acquisition Regulations. Costs charged to the US Government for the leased property under such con-

tracts will not exceed the lessee's costs under the lease. The US Government reserves the right to audit the lessee's books and records used to support any charges or costs that are charged directly or indirectly to the US Government based on this lease.

8. The lessee shall assume the risk of loss, damage, or destruction of the leased property, unless the (title) determines that the US Government agrees to assume this risk when a US Air Force pilot is pilot-in-command. The lessee's risk must be covered by insurance or, with the contracting officer's prior written approval, a plan for self-insurance on the depreciated value of the property.

9. The lessee shall release the Department of the Air Force, including a release from all consequential damages, and defend, indemnify, and hold the US Government, its agents, officers, and employees harmless from any and all loss and liability (whether in tort or contract) that might arise in connection with the lease because of: (a) injury or death of personnel of the US Government, the lessee, or third parties; and (b) damage to or destruction of property of the lessee or third parties, and leased property, support equipment, or other property of the US Government. The lessee shall obtain insurance adequate to cover all such liabilities.

10. The lessee shall provide to the contracting officer written evidence of the insurance or plan for self-insurance required by numbered paragraph eight and the insurance required by numbered paragraph nine of this Determination and Finding.

11. The lessee shall return all leased property to the Department of the Air Force, at such place as is designated by the contracting officer, in the same condition as when accepted, except for fair wear and tear. If the Department of the Air Force determines that any of the leased property was not returned in such condition, or has not been maintained according to prescribed Department of the Air Force standards, the lessee shall reimburse the Department of the Air Force for the cost of returning such property to its proper condition, except for fair wear and tear.

12. The Department of the Air Force may revoke this lease at any time. The lessee may terminate the lease at any time upon 15 days' prior written notice. If the lease is revoked by the Department of the Air Force or terminated by the lessee, the lessee shall be responsible for its residual responsibilities under the lease (to return leased property, to pay all charges or costs resulting from the lease, to release, defend, indemnify, and hold harmless the US Government, etc.).

13. The lessee shall assume any responsibility imposed by other US Government agencies, or by foreign governments and their taxing authorities, for certification and registration of the leased property and for payment of any taxes or other charges thereon.

14. The leased property will be released to the lessee only after the contracting officer or authorized representative determines that the lessee has implemented procedures which will ensure safe and proper storage, maintenance, and operation of the leased property.

15. The lessee shall limit operation and maintenance of the leased property to qualified employees of lessee and shall ensure all lessee flight crew members are qualified and maintain currency and proficiency according to AFMC Manual 10-202, Vol I, *Aircrew Training*.

16. During the term of the lease, the lease status of the leased property may be interrupted from time to time by the Department of the Air Force to make the property available for other US Government activities under US Government contracts with the lessee. During such periods, the property reverts to Government-Furnished Property status under the applicable US Government contract. Any doubt as to the status of the leased property at any particular time will be resolved in favor of lease status, unless otherwise determined by the Department of the Air Force.

17. The lessee shall secure from the Department of State or other responsible US Government agency any export licenses or other approvals required under the *Arms Export Control Act* or other US law or regulations before using the leased property in connection with the provision of articles or services to a foreign government or other foreign person.

Optional 18. The lessee shall obtain approval in accordance with DoD Regulation 4515.13R and AFMC Sup 1 to AF Instruction 11-401 before any demonstration, orientation, or evaluation flights for representatives of foreign governments. *(Use this paragraph only in leases of aircraft contemplating this possibility.)*

Optional 19. Orientation flights for US Congressional and news media representatives shall be subject to approval according to DoD Regulation 4515.13R and AF Instruction 11-401. *(Use this paragraph only in leases of aircraft contemplating this possibility.)*

Optional 20. A lessee who proposes to fly leased aircraft at an air show shall prepare an air show plan for the approval of the Department of the Air Force that provides information on: scheduled use of the leased property; qualifications and duties of lessee personnel attending the air show; intended and contingency flight profiles; provisions for ensuring adequate preflight crew rest and ensuring proper preflight briefings and post flight debriefings; and provisions for obtaining a visual record, and flight data recorder coverage (if aircraft has this equipment) of practice and show flight demonstrations, and orientation flights. Department of the Air Force approval of, or involvement in, such a plan shall not diminish the lessee's assumption of risk of loss and liability in connection with the lease. *(Use this paragraph in all leases contemplating air show flights of leased aircraft.)*

Optional 21. The lessee shall obtain prior Department of the Air Force approval of each project utilizing the leased aircraft. *(This paragraph is used rarely.)*

Optional 22. The lessee shall secure a performance bond in an amount established by the contracting officer to ensure return of all leased property in the event of default or upon completion or termination of the lease. *(This paragraph is used very rarely.)*

Pursuant to Title 10, United States Code, Section 2667, I find that the property to be leased is under the control of the Department of the Air Force; it is not excess property as defined by of Title 40, United

States Code, Section 472 but it is not for the time needed for public use. I consider the above described lease of such property to be advantageous to the United States and such terms to be in the public interest.

The Director for Contracting, (*name of the organization*, Aeronautical Systems Center, Air Force Materiel Command, for example), or designee, is authorized to execute a lease according to this Determination and Finding.

Attachment 3

AIR SHOW PARTICIPATION PLAN CLAUSE

Air Show Participation Plan (Mar 1997)

a. Prior to any flight performed for demonstration, exhibition, practice, or evaluation purposes at a scheduled air show as authorized elsewhere in this lease, the Lessee shall obtain the approval of the Director of Operations, Headquarters US Air Force (HQ USAF/XOO) for an Air Show Participation Plan covering the following:

- (1) Detailed schedule of planned use of the leased aircraft.
- (2) The names and qualifications of the pilots who are scheduled to fly the aircraft in practice, deployment or redeployment, and air show flights.
- (3) Specific information on the qualifications of other crew members who may be needed.
- (4) The names, qualifications, and exact duties of contractor supervisors who may in any way manage and control the US Air Force aircraft while it is leased.
- (5) The intended flight profiles planned for:
 - (i) Favorable weather conditions (*specify favorable weather conditions for subject aircraft*).
 - (ii) Weather conditions less than favorable but above the air show minimums, USAF flight rules, and the aircraft handbook (technical order) limitations; include request for waiver of aircraft weather minimums, if applicable.
 - (iii) Alternate modified profiles for both weather conditions that would be flown if air show authorities limit flight time due to scheduling problems.
- (6) Provisions for ensuring adequate preflight rest for the pilot (or pilots) and other crew members. This discussion must include how the flight crews (pilots) will be isolated from potential marketing or other possible pressures that may be expected.
- (7) Specific schedule and attendees at preflight planning, preflight briefings, and post flight debriefings.
- (8) Means of providing a visual record of all practice flights and air show demonstrations (16 mm film or videotape).
- (9) Means of providing maximum flight data recorder coverage (if subject aircraft is normally equipped with a flight data recorder) of all practice flights and air show flight demonstrations.
- (10) Provisions for ensuring the pilot who flies the aircraft wears suitable flight clothing for maneuvers (such as anti-G suit).
- (11) Specifics on each nonstandard configuration of the leased aircraft.
- (12) A list of each item of equipment or stores the Lessee intends to incorporate in or use to support the leased aircraft, other than US Air Force standard equipment or approved stores list.

b. Lessee's initial proposal and any revised proposals for such Air Show Participation Plan are submitted to the Contracting Officer.

c. The Lessee shall comply with the provisions of the approved Air Show Participation Plan for all air show demonstrations, exhibition, and evaluation flights performed with the leased property during the term of this lease, at or in the general vicinity of the air show and for all practice and pilot qualification flights performed during the term of this lease in preparation for such demonstration, exhibition, or evaluation.

d. The Lessee shall permit the Contract Monitor or a delegate, as appointed by the US Government for this lease, to monitor air show participation under this lease. The Contract Monitor must have access to the leased aircraft and maintenance and staging areas during the entire period of air show participation and during all periods of practice or qualification for air show participation as authorized under this lease.

e. The Contract Monitor shall be considered an element of US Air Force support, whose costs are charged to the Lessee as lease support costs.

f. The Lessee shall submit to the Contracting Officer, within 30 days after the completion of the air show, a lease completion report explaining any problems encountered in aircraft practice and participation flights and recommending changes in procedures to improve the safety of US Air Force aircraft leased for air show participation in the future. The Lessee shall also, at the written request of the CO and at no cost to the US Government under this lease, provide to the US Government two copies of all visual records and flight recorder data of all practice flights and air show demonstrations as called for above.

g. The Lessee shall advise the cognizant System Program Director (SPD) if it plans to participate in static displays or flights demonstrations at the air show. The SPD designates a time and place for Lessee personnel to receive a cautionary briefing on the military security requirements and other sensitive areas related to the leased aircraft and equipment.

h. It is mutually understood and agreed that the sole purpose of this clause is to give the US Government full knowledge of the intended use of the leased property and an opportunity to observe the Lessee's compliance with its proposed plan. The Lessee acknowledges and agrees that the US Government makes no warranty that the approved plan is safe and that the US Government assumes no risk of loss or liability to third parties that may arise even if the Lessee adheres to the approved plan. This clause creates no exceptions to the Lessee's obligations to assume risk of loss and third-party liability, including obtaining insurance, as set out fully in the clauses elsewhere in this lease.

(End of Clause)